

**Nebraska Legislative Planning Committee**

**Agriculture**

**Jerome Deichert**

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**September 10, 2010**

This benchmark examines Nebraska's agriculture by reviewing four broad areas: Farm income; Farm receipts; Agricultural diversity; and Farm operations. When available, data are presented for the period 1980 to 2008. At other times, the period is 2002 to 2007. The most currently available data at the time the data files were put together are used. Additional information can be found from the Nebraska Department of Agriculture's website. Two areas of interest on the website are: Laws and Regulations and Nebraska Agricultural Facts.

<http://www.agr.state.ne.us/regulate/regulate.htm>

<http://www.agr.state.ne.us/facts.pdf>

**Farm Income**

Generally, measures of Nebraska's rural income are slightly below the national average. The U.S. Census Bureau reports that Nebraska's rural per capita income for 2008 was \$25,702, which was 99 percent of the national average of \$25,973. Rural Nebraska's income ranked 28th nationally and was in the bottom half of the region. Although there have been year-to-year fluctuations, since 2005, Nebraska's per capita income has been growing faster than the nation's. Between 2005 and 2008, Nebraska's growth was 15.4 percent compared to 11.0 percent for the U.S.

The U.S. Census Bureau also measured the poverty rate for persons living in rural Nebraska in 2008. Using this measure, rural Nebraskans fared better than the nation with a poverty rate of 8.0 percent compared to 13.2 percent for the nation. Regionally, Nebraska had the fifth lowest rural poverty rate. Since 2005, rural Nebraska's poverty rate has fluctuated from year-to-year but is nearly unchanged.

Nebraska ranked 25th nationally and fifth regionally in the number of persons working on farms (this includes farm proprietors). Since 1990, the number of people working on farms fell 32.1 percent. Nationally, the decline was about half, at 16.2 percent. Even though rural employment has been declining, Nebraska's rural unemployment rate was 4.4 percent in 2009 and was the lowest in the region.

**Farm Receipts**

The U.S. Bureau of Economic Analysis reported cash receipts from livestock and products in 2008 at 9.9 billion dollars in 2008. This ranked fifth nationally and only behind Iowa in the region. Cash receipts from crops totaled 9.0 billion dollars in 2008. Again Nebraska ranked fifth nationally but was lower than Iowa and Minnesota in the region. Historically, cash receipts from livestock and products have consistently exceed those from crops.

Net farm income for Nebraska reached 4.2 billion dollars in 2008. This was fifth nationally and was less than Iowa and Minnesota in the region. 2008 was an excellent year for Nebraska net farm income.

Looking at data since 1980, the 2008 figure was by far the largest. The next highest was for 2007 at 2.9 billion dollars.

Government farm payments historically have been an important source of income for Nebraska farmers. In 2008, the U.S. Bureau of Economic Analysis estimated farm payments to Nebraska farmers were 519 million dollars, representing about one-eighth of the total net farm income. This was the eighth highest nationally and fifth in the region.

### **Agricultural Diversity**

Agricultural diversity looks at the commodities produced in Nebraska and exported from Nebraska. In 2008, the top five agricultural commodities produced in Nebraska were: Cattle and calves, corn, soybeans, hogs, and wheat. The five most important agricultural exports were: Feed grains and products, soybeans and products, live animals and meat, wheat and products, and hides and skins.

### **Farm Operations**

Every five years, in years ending in 2 and 7, the U.S. Department of Agriculture conducts a Census of Agriculture. According to the 2007 Census, Nebraska had 45.5 million acres in farmland (including ranches). This was a decrease of 0.9 percent since 2002. Also in 2007, Nebraska had 47,712 farms and ranches. This number ranked 20th nationally and in the middle of the region. Since 2002, however, the number of Nebraska farms fell 3.3 percent. This was the largest decline in the region, and only two states nationally had a larger decline in the number of farms.

Between 2002 and 2007, the average Nebraska farm size increased from 930 acres to 953 acres (2.5 percent). Regionally, Nebraska and South Dakota were the only states experiencing an increase in the average farm size. Nationally, the average farm size dropped 5.2 percent from 441 acres to 418 acres. Approximately 41 percent of Nebraska farms and ranches had sales of 100 thousand dollars or more, and only 5 percent had sales of a million dollars or more.

Nebraska farm operators were less likely to be full owners than farm operators nationally and in the region. Overall, 50.3 percent of Nebraska farm operators were full owners (compared to part owners and renters). For the nation the comparable figure was 69.0 percent.

### **Observations**

The above analysis has shown that production agriculture is a major component of the state's economy. In 2008, farm marketings brought nearly 19 billion dollars into the state and provided nearly 50 thousand jobs. Depending upon the measure, rural Nebraskans generally fare better economically than the typical rural resident nationally. Per capita incomes are comparable, but poverty and employment rates are considerably lower. Similar to the nation as a whole but in contrast to most of the region, Nebraska farms are getting larger and fewer in numbers.

## **Policy Considerations**

Looking at the Nebraska Department of Agriculture's website, it can be seen that the state of Nebraska has a considerable number of laws and regulations that impact agriculture. These laws and regulations will have an impact on the profitability and structure of Nebraska's farms. Additionally, the above analysis shows that Federal government farm payments have a sizable and variable impact on net farm income. In twelve of the years since 1980, government payments accounted for more than half of Nebraska's net farm income.

## **Nebraska Legislative Planning Committee**

### **Discussion of Agricultural Policy**

**Jerome Deichert, Center for Public Affairs Research, University of Nebraska at Omaha**

#### **Farm Income**

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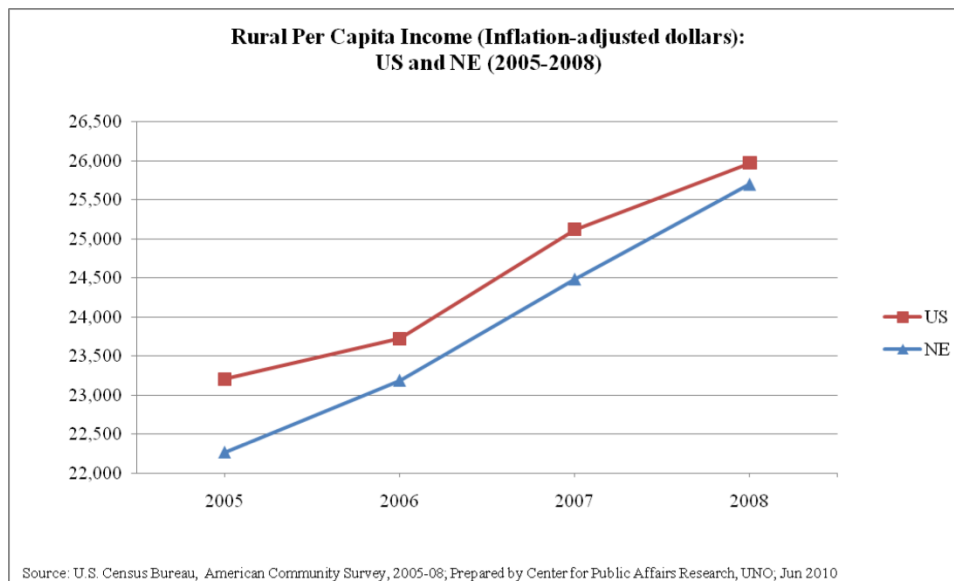
## Nebraska Legislative Planning Database – Agriculture

### Farm Income

#### Rural Per Capita Income: 2008

Source: U.S. Census Bureau, 2008 American Community Survey

State	Dollars	Rank*
Colorado	33,589	6
Wyoming	29,309	10
Minnesota	27,857	17
Kansas	27,295	21
Iowa	26,860	22
North Dakota	26,794	24
<b>Nebraska</b>	<b>25,702</b>	<b>28</b>
South Dakota	24,058	35
Missouri	22,572	42



#### Rural Per Capita Income: United States and Nebraska: 2005-2008

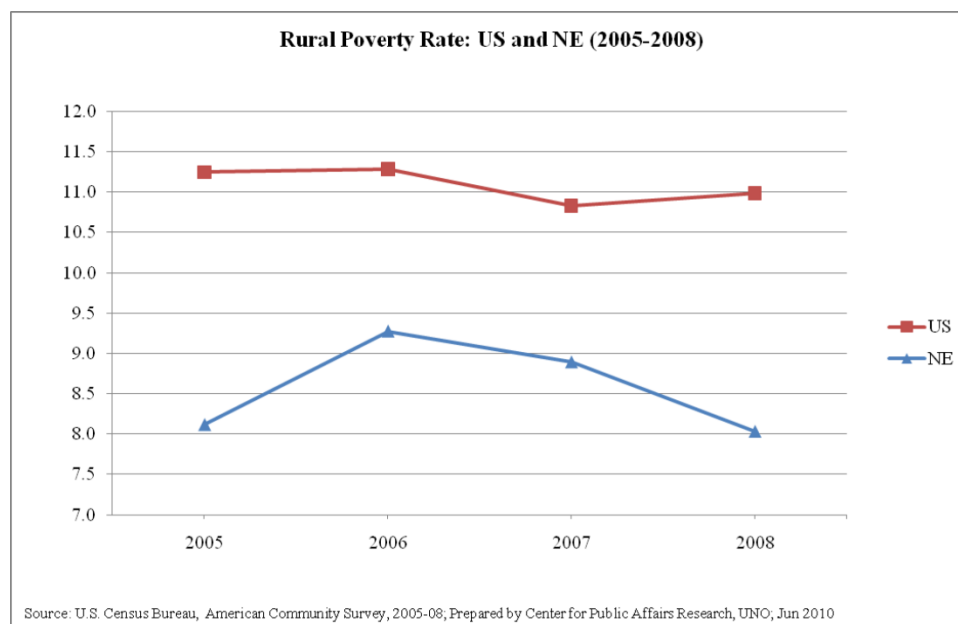
Source: U.S. Census Bureau, 2005-08 American Community Survey

Year	United States	Nebraska
2005	23,207	22,271
2006	23,724	23,193
2007	25,122	24,489
2008	25,973	25,702

### **Rural Poverty Rate: 2008**

Source: U.S. Census Bureau, 2008 American Community Survey

State	Percent	Rank*
South Dakota	12.9	13
Missouri	12.3	15
North Dakota	11.2	20
Iowa	8.6	32
<b>Nebraska</b>	<b>8.0</b>	<b>34</b>
Kansas	7.6	40
Minnesota	7.5	41
Wyoming	7.2	42
Colorado	6.7	44



### **Rural Poverty Rate: United States and Nebraska: 2005-2008**

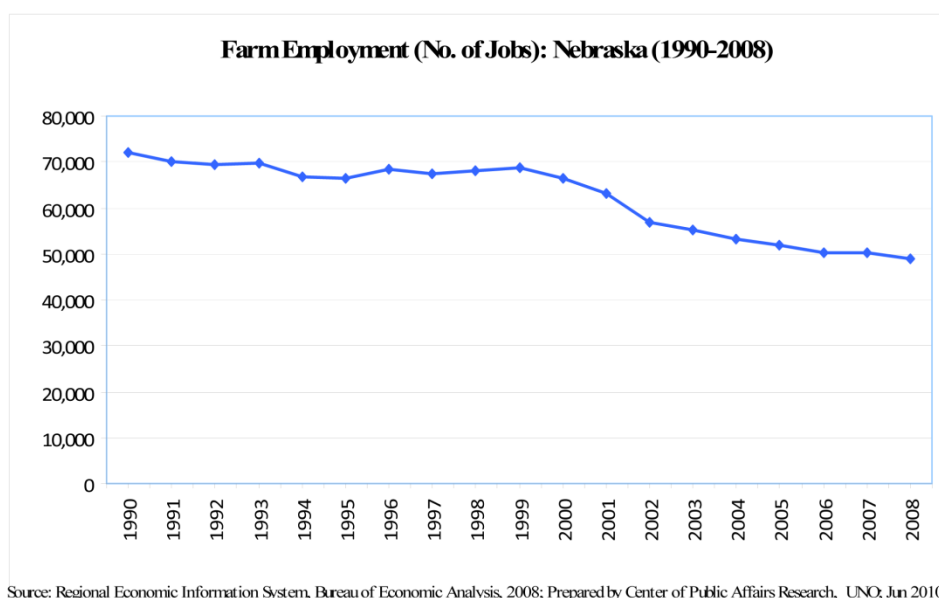
Source: U.S. Census Bureau, 2005-08 American Community Survey

Year	United States	Nebraska
2005	11.2	8.1
2006	11.3	9.3
2007	10.8	8.9
2008	11	8

### **Farm Employment: 2008**

Source: Regional Economic Information System, Bureau of Economic Analysis, U.S. Department of Commerce

<b>State</b>	<b>Persons</b>	<b>Rank*</b>
Missouri	105,190	3
Iowa	92,596	5
Minnesota	82,540	9
Kansas	64,259	18
<b>Nebraska</b>	<b>48,932</b>	<b>25</b>
Colorado	45,201	26
North Dakota	32,225	30
South Dakota	32,063	31
Wyoming	12,699	40





**Farm Employment: United States and Nebraska: 1990-2008**

Source: Regional Economic Information System, Bureau of Economic Analysis, U.S. Department of Commerce

<b>Year</b>	<b>United States</b>	<b>Nebraska</b>
1990	3,153,000	72,057
1991	3,104,000	70,177
1992	3,057,000	69,407
1993	3,130,000	69,589
1994	3,085,000	66,744
1995	3,108,000	66,594
1996	3,075,000	68,557
1997	3,088,000	67,306
1998	3,129,000	68,107
1999	3,150,000	68,731
2000	3,117,000	66,442
2001	3,060,000	63,254
2002	2,902,000	56,973
2003	2,838,000	55,345
2004	2,719,000	53,300
2005	2,655,000	52,039
2006	2,579,000	50,315
2007	2,663,000	50,092
2008	2,642,000	48,932

**Rural Unemployment Rate: 2009**

Source: U.S. Department of Agriculture

<b>State</b>	<b>Percent Unemployed</b>	<b>Rank*</b>
Missouri	9.4	1
Minnesota	8.5	2
Colorado	6.9	3
Iowa	6.7	4
Wyoming	6.3	5
Kansas	5.7	6
South Dakota	4.8	7
North Dakota	4.6	8
<b>Nebraska</b>	<b>4.4</b>	<b>9</b>

\* Ranking is within region only.

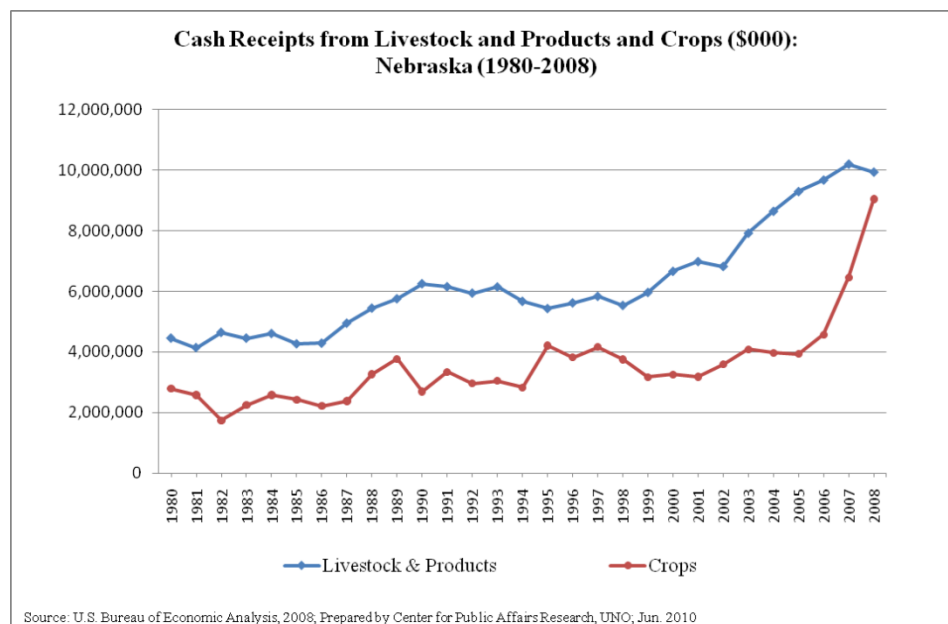
## Nebraska Legislative Planning Database – Agriculture

### Farm Receipts

#### Cash Receipts from Livestock and Products: 2008

Source: U.S. Bureau of Economic Analysis, Regional Economic Information System: 1969-2008

	(\$000)	Rank
United States	179,858,239	
Iowa	12,973,060	3
<b>Nebraska</b>	<b>9,937,348</b>	<b>5</b>
Kansas	9,874,409	6
Minnesota	7,193,899	7
Colorado	4,732,505	11
Missouri	4,059,200	15
South Dakota	3,218,364	19
North Dakota	1,111,824	36
Wyoming	763,205	39



### **Cash Receipts from Crops: 2008**

Source: U.S. Bureau of Economic Analysis, Regional Economic Information System: 1969-2008

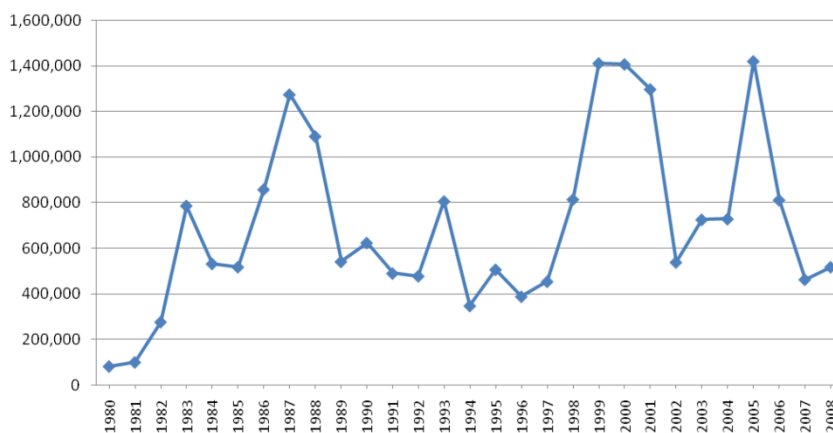
	(\$000)	Rank
United States	184,786,323	
Iowa	15,112,365	2
Minnesota	10,154,310	4
<b>Nebraska</b>	<b>9,047,811</b>	<b>5</b>
Kansas	6,776,507	8
North Dakota	6,735,956	9
South Dakota	5,404,896	12
Missouri	4,868,208	14
Colorado	2,381,453	22
Wyoming	225,618	45

### **Government Farm Payments: 2008**

Source: U.S. Bureau of Economic Analysis, Regional Economic Information System: 1969-2008

	(\$000)	Rank
United States	12,237,569	
Iowa	803,532	2
Kansas	647,705	3
Minnesota	544,269	5
Missouri	538,475	6
<b>Nebraska</b>	<b>518,502</b>	<b>8</b>
North Dakota	510,590	9
South Dakota	400,726	11
Colorado	261,070	20
Wyoming	45,684	38

**Government Payments (\$000): Nebraska (1980-2008)**

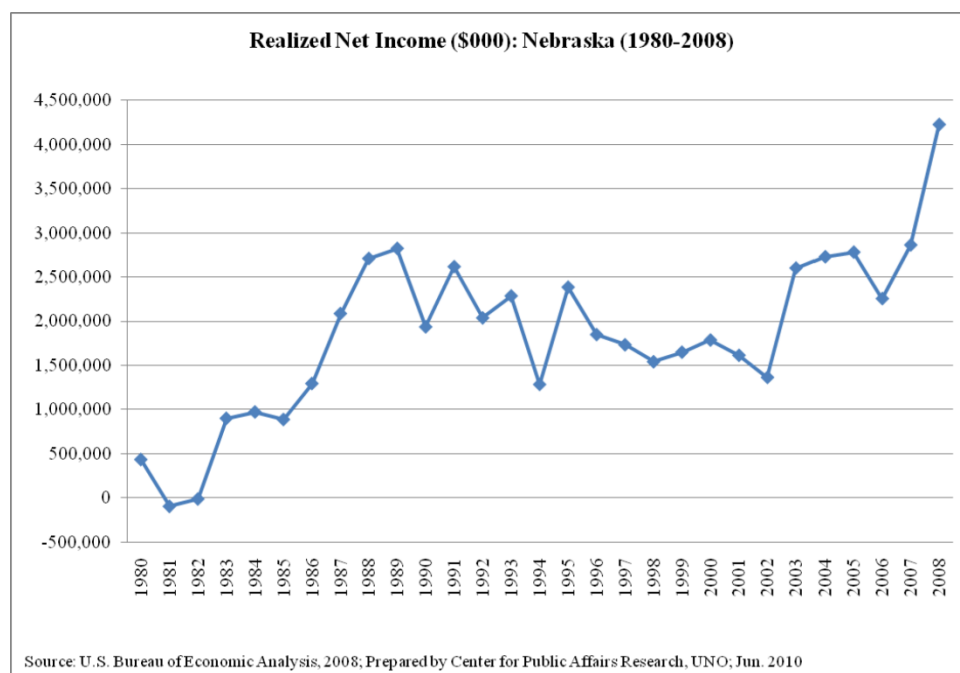


Source: U.S. Bureau of Economic Analysis, 2008; Prepared by Center for Public Affairs Research, UNO, Jun. 2010

### **Realized Net Farm Income: 2008**

Source: Regional Economic Information System, Bureau of Economic Analysis, U.S. Department of Commerce

<b>State</b>	<b>\$000</b>	<b>Rank</b>
Iowa	7,875,055	1
Minnesota	5,351,566	4
Nebraska	4,226,152	5
Kansas	3,578,677	6
South Dakota	2,812,675	8
Missouri	2,534,826	10
North Dakota	2,333,339	11
Colorado	1,161,020	21
Wyoming	-72,635	49



**Realized Net Income (\$000): United States and Nebraska: 1980-2008**

Source: Regional Economic Information System, Bureau of Economic Analysis, U.S. Department of Commerce

<b>Year</b>	<b>United States</b>	<b>Nebraska</b>
1980	17,839,761	433,500
1981	12,192,674	-96,027
1982	9,948,837	-13,199
1983	19,316,409	900,041
1984	19,527,660	971,833
1985	18,494,978	886,562
1986	29,578,573	1,294,437
1987	39,647,987	2,085,925
1988	44,798,225	2,710,123
1989	41,442,105	2,824,335
1990	38,523,043	1,935,563
1991	35,549,830	2,617,583
1992	39,158,099	2,036,950
1993	45,456,981	2,285,626
1994	33,377,546	1,283,387
1995	39,376,659	2,385,050
1996	41,096,018	1,848,392
1997	39,571,677	1,732,254
1998	36,142,413	1,540,054
1999	38,257,328	1,648,725
2000	40,658,589	1,786,637
2001	41,347,311	1,613,199
2002	30,283,665	1,363,755
2003	50,350,095	2,602,073
2004	62,480,448	2,729,867
2005	61,085,455	2,781,803
2006	45,831,910	2,256,381
2007	54,589,961	2,863,373
2008	73,838,504	4,226,152

## Nebraska Legislative Planning Database – Agriculture

### Agricultural Diversity

#### Nebraska's Top 5 Agriculture Commodities: 2008

Source: Economic Research Service, USDA, Washington, DC

Commodities	Value of receipts (thousand \$)	Percent of state total farm receipts	Percent of United States value	Regional Rank*
1. Cattle and calves	7,068,679	40.8	14.7	1
2. Corn	5,712,110	33.0	11.1	2
3. Soybeans	2,209,240	12.8	7.6	3
4. Hogs	728,702	4.2	4.5	4
5. Wheat	514,655	3.0	3.0	4
All commodities	17,315,688		5.3	

#### Nebraska's Top 5 Agriculture Exports, Estimates: FY 2008

Source: Economic Research Service, USDA, Washington, DC

	Rank among states	Value (million \$)	Regional Rank*
1. Feed grains and products	3	1,939.80	2
2. Soybeans and products	5	1,476.40	3
3. Live animals and meat	2	1,134.80	2
4. Wheat and products	12	426.1	4
5. Hides and skins	1	391.5	1
Overall rank	5	5,944.60	

\* Ranking is within region only.

## Nebraska Legislative Planning Database – Agriculture

### Farm Operations

#### Total Farmland and Percentage Change in Total Farmland: 2002-2007

Source: National Agricultural Statistics Service, United States Department of Agriculture

State	Millions of Acres		2007 Rank*	Percentage Change
	2002	2007		2002 - 2007
United States	938.3	922.1	--	-1.70
Colorado	31.1	31.6	5	1.60
Iowa	31.7	30.7	6	-3.10
Kansas	47.2	46.3	1	-1.90
Minnesota	27.5	26.9	9	-2.20
Missouri	29.9	29	8	-3.10
<b>Nebraska</b>	<b>45.9</b>	<b>45.5</b>	<b>2</b>	<b>-0.90</b>
North Dakota	39.3	39.7	4	1.00
South Dakota	43.8	43.7	3	-0.30
Wyoming	34.4	30.2	7	-12.30

#### Number of Farms: 2007

Source: National Agricultural Statistics Service, United States Department of Agriculture

State	Number	Rank*
Missouri	107,825	2
Iowa	92,856	3
Minnesota	80,992	7
Kansas	65,531	12
<b>Nebraska</b>	<b>47,712</b>	<b>20</b>
Colorado	37,054	26
North Dakota	31,970	28
South Dakota	31,169	29
Wyoming	11,069	39

**Percentage Change in Number of Farms: 2002-2007**

Source: National Agricultural Statistics Service, United States Department of Agriculture

State	Percentage Change	Rank*
Colorado	18.12	7
Wyoming	17.48	8
North Dakota	4.41	28
Iowa	2.43	32
Kansas	1.73	34
Missouri	0.96	38
Minnesota	0.19	39
South Dakota	-1.79	43
<b>Nebraska</b>	<b>-3.33</b>	<b>48</b>

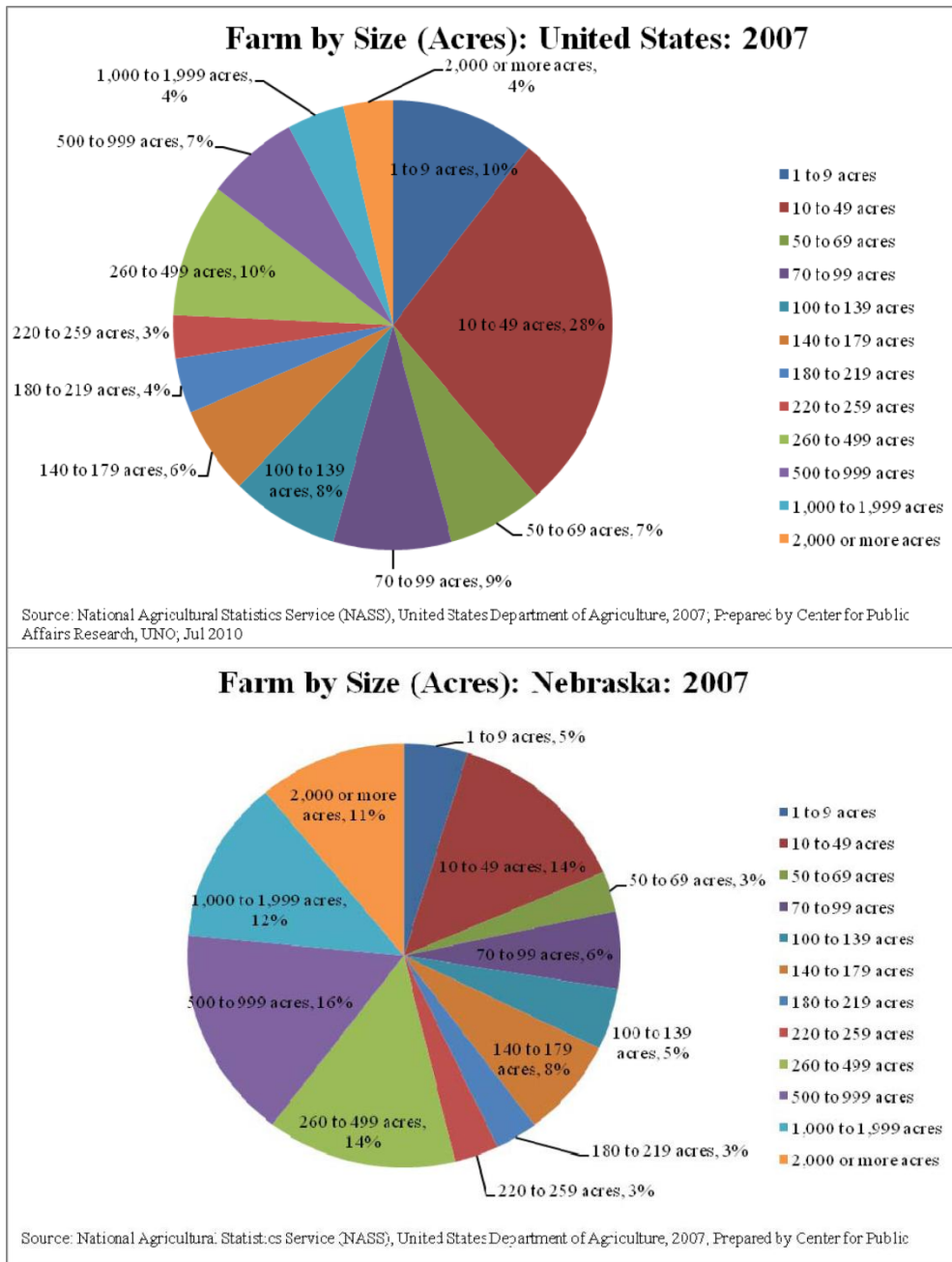
**Average Farm Size and Percentage Change in Average Farm Size: 2002-2007**

Source: National Agricultural Statistics Service, United States Department of Agriculture

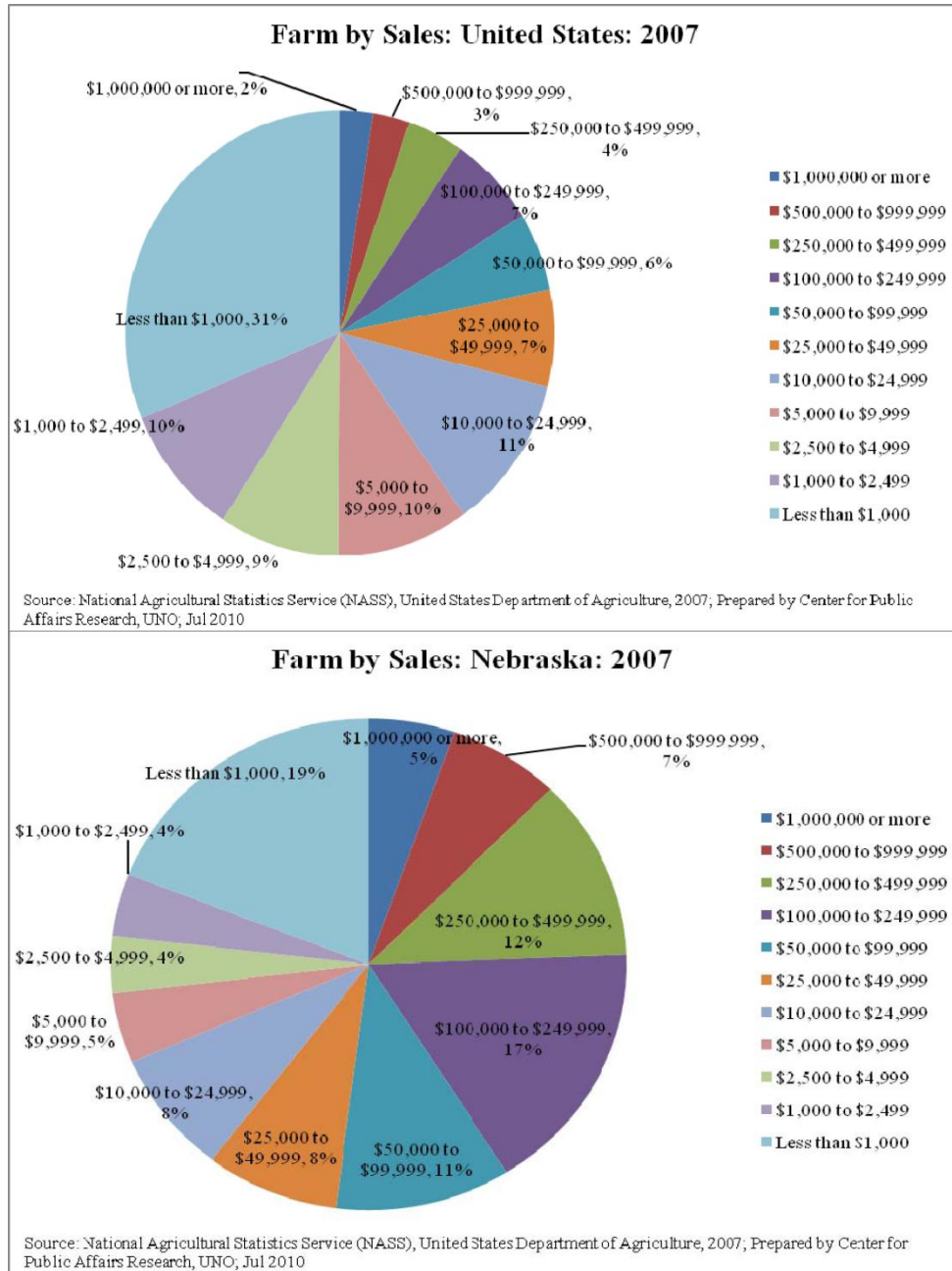
State	Average Size of Farm (Acres)		2007 Rank*	Percentage Change from 2002 - 2007
	2002	2007		
United States	441	418	--	-5.20
Wyoming	3,651	2,726	1	-25.30
South Dakota	1,380	1,401	2	1.50
North Dakota	1,283	1,241	3	-3.30
<b>Nebraska</b>	<b>930</b>	<b>953</b>	<b>4</b>	<b>2.50</b>
Colorado	991	853	5	-13.90
Kansas	733	707	6	-3.50
Minnesota	340	332	7	-2.40
Iowa	350	331	8	-5.40
Missouri	280	269	9	-3.90

\* Ranking is within region only.





## Farms by value of sales



### **Tenure of Farmers and Number of Farm Operators: 2007**

Source: National Agricultural Statistics Service, United States Department of Agriculture

State	Percentage of Farms with Full Owners	Percentage of Farms with One Operator
United States	69.0	57.70
Colorado	71.5	47.10
Iowa	57.6	62.00
Kansas	58.7	59.90
Minnesota	63.5	61.00
Missouri	71.8	56.60
<b>Nebraska</b>	<b>50.3</b>	<b>58.70</b>
North Dakota	51.0	65.90
South Dakota	50.1	60.10
Wyoming	64.4	46.10

